



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 27, 2006

Rob Hamilton
Fishlake National Forest
Fremont River Ranger District
138 South Main
P. O. Box 129
Loa, Utah 84747

Subject: Comments on Notices of Intention to Commence Small Mining Operations, Anasazi Gold Reserve and James L. Terry, Scottish Rite and Imagine Mines, M0550024 and M0550025, Wayne County, Utah

Dear Mr. Hamilton:

In accordance with the memorandum of understanding (MOU) between the Division of Oil, Gas and Mining, the Forest Service, and the Bureau of Land Management, the Division provides the following comments on the referenced Notices of Intention to Commence Small Mining Operations. The MOU provides that comments would be coordinated through the Forest Service as the lead agency. The notices were originally received April 6, 2006, and revised notices were received by the Division May 25, 2006.

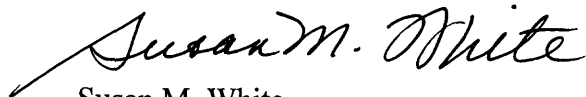
1. Both notices list both the Forest Service and the Bureau of Land Management as the mineral owners. The Division understands that the Bureau of Land Management administers mineral rights on Forest Service lands.
2. Neither notice includes a Forest Service project number.
3. The Division previously requested operations maps at a scale of 1"=200' which the operator provided, but the maps need to include details of the operations, such as access roads, drill hole locations, trenches, soil stockpiles, and other planned mining activities.
4. The Division's standard reclamation surety amount for a four-acre site (Scottish Rite) is \$15,100.00. This is based on calculated costs for reclaiming sites of 5-20 acres, and the Division believes this bond amount would be adequate.

5. The Imagine Mine would be 1.92 acres but would also include six to eight shallow exploration holes. The standard surety amount would be \$8600.00, but additional money needs to be included for plugging the holes. The Division proposes a surety of \$10,200.00.

If the surety is posted with the Division, the Forest Service will be named as a co-beneficiary. If the operator posts the surety with the Forest Service, the Division needs to be named as a co-beneficiary.

If you have questions or concerns about any of these issues, please contact Paul Baker at 801-538-5261.

Sincerely,

A handwritten signature in black ink that reads "Susan M. White". The signature is fluid and cursive, with a long horizontal line extending from the start of the name.

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:pb

cc: Jay Gatten, North American Exploration

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